

19 October 2020

**IG Design Group plc**  
("Design Group", the "Company" or the "Group")

**Post Close Trading Update**

IG Design Group plc, one of the world's leading designers, innovators and manufacturers of celebrations, craft, gifting, stationery and creative play products, today issues a post close trading update for the financial period ended 30 September 2020.

**Trading update**

The Group's trading for the six month period to 30 September 2020 is expected to deliver a 40% year on year increase in reported revenue to approximately \$435 million<sup>1</sup> (including \$149 million from CSS Industries Inc. ('CSS')), with better than expected performances across both of our divisions; Americas (DG Americas and CSS) and International (previously UK, Europe and Australia)<sup>2</sup>. Group revenues, excluding CSS, were 8.3% down year on year reflecting the impact of Covid-19, particularly in the first quarter, with the second quarter showing a strong recovery. CSS revenues in the first half were marginally down year on year as a result of the impact of Covid-19 in the first quarter, however, second quarter sales ended up on the same period in the prior year.

The focus on cost management across the Group, including the realisation of initial synergies from the CSS acquisition, alongside the inclusion of CSS results for the first time in the 6 month period to 30 September 2020, is expected to deliver an increase in Group Adjusted profit before tax compared to the same period in the prior year with both segments of the Group; Americas and International showing year on year growth.

At 30 September 2020 the Group delivered a significant year on year reduction in net debt to \$23.2 million compared to \$106.1 million in the prior year. This very strong performance reflects effective cash management across the Group during the first half of the year with the team remaining focused on all aspects of working capital including inventory which was lower than last year (proforma), and reduced receivable balances reflecting the focus on managing credit risk and collections. The Group expects to report average leverage for the full year FY 2021 below 0.8x Adjusted EBITDA. The Company's banking facilities remain in excess of \$275 million with the Group's annual debt peak forecast to be substantially below this level.

**Operational update**

Despite the various restrictions which continue to be in place around the world as a result of Covid-19, our regional businesses continue to operate and serve our customers around the world. During this key peak trading period all our manufacturing and distribution facilities continue to service customer requirements on schedule with fulfilment and Christmas order deliveries fully on track, while our office-based teams continue to work from home, as required. The Directors remain confident that the Group is well positioned to continue to meet increased customer demand.

Customer orders are now in excess of 80% of the full year revenue forecasts for the year with strong ongoing momentum in Everyday business particularly in the Americas.

**Integration of CSS**

The integration of CSS continues to deliver synergy savings ahead of schedule and with the US business now fully integrated in terms of the commercial, operational and back office teams there is a clear programme of priorities focused on delivering further sales opportunities and cost savings ahead of original estimates.

**Looking ahead to the second half of FY2021**

The Group continues to review the development of Covid-19 and, whilst ensuring the safety of its teams and customers, will take all necessary actions to maximise trading opportunities in the second half, working with all our customers to ensure strong service delivery throughout the critical Christmas period. The Board note that performance in the first half of the financial year is ahead of management expectations but it remains cautious in relation to the full year outlook, particularly in the context of Covid-19. A further update will be provided at the interim results announcement. The Company expects to report its interim results at the end of November and will announce its interim reporting date in due course.

<sup>1</sup> As previously advised, following the acquisition of CSS the Group has changed its reporting currency to US dollars

<sup>2</sup> The Group will be reporting its divisions as Americas (DG Americas and CSS) and International (previously UK, Europe and Australia) going forward.

**For further information, please contact:**

**IG Design Group plc**

Tel: 0152 588 7310

Paul Fineman, Chief Executive Officer  
Giles Willits, Chief Financial Officer

**Canaccord Genuity Limited (Nominated Adviser and Broker)**

Tel: 0207 523 8000

Bobbie Hilliam, NOMAD  
Alex Ayles, Sales

**Alma PR**

Tel: 0203 405 0205

Rebecca Sanders-Hewett  
Susie Hudson  
Sam Modlin

**About IG Design Group plc**

IG Design Group plc, the largest consumer gift packaging business in the world, is a designer, innovator and manufacturer of products that help people celebrate life's special occasions. Design Group works with more than 11,000 customers in over 80 countries throughout the UK, Europe, Australia and the USA.

Its products are found in over 210,000 retail outlets, including several of the world's biggest retailers, for example Walmart, Target, Amazon, Costco, Lidl and Aldi. Its brand, Tom Smith, also holds the Royal Warrant for the supply of Christmas crackers and Christmas wrapping paper to the Royal family. Design Group is a diverse business operating across multiple regions, categories, seasons and brands.

Its five major product categories are: Celebrations, Craft, Stationery and Creative Play, Gifting, and Not-for-resale consumables. It offers customers a full end-to-end service from design through to distribution, offering both branded and bespoke products from the value-focused through to the higher-margin ends of the market.

The Company was admitted to the Alternative Investment Market of the London Stock Exchange in 1995 under the name 'International Greetings plc' and rebranded to IG Design Group plc in 2016. For further information please visit [www.thedesigngroup.com](http://www.thedesigngroup.com).